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To: Judge Drain

Fax #: 914-390-4073

Date: June 8, 2009

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From: Sharon O'Brien

Phone #: 585-429-6479

Reply Fax #: \_\_\_\_\_

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06/08/09 17:05 Pg: 1

June 8, 2009

Dear Judge Drain:

I am writing to express my strong objection to the decision to refer Delphi Corporation's salaried retiree pension plan to the Pension Benefit Guarantee Corporation (PBGC).

I am a recent salaried retiree from Delphi. Early this year I signed paper work with Delphi that promised a pension and one year of separation payments. In my case, I will be losing over \$50,000 in unpaid promised separation payments and about \$36,000 a year (pension) for the rest of my life. Those payments, if unpaid, will add up to \$1,130,000.00 loss of promised income. These promised retirement benefits are why I spent 30 years of my life working for GM/Delphi. Our hourly retiree counterparts have NOT lost a penny of pension money.

I request that pension obligations for both hourly and salaried retirees be assumed by GM. I therefore respectfully urge that the Treasury Department's Automotive Task Force demand reconsideration of this decision in advance of the June 10, 2009 U.S. bankruptcy hearing.

As you know, GM spun Delphi off in 1999, and today the company is GM's largest parts supplier. GM has agreed, as part of the restructuring agreement worked out by the Automotive Task Force, to take back five Delphi plants, including Delphi Thermal Systems in Lockport, NY and Delphi Powertrain in Rochester, NY. I believe these are positive steps to set both GM and Delphi on the right course for the future. I am also pleased to see that as part of its restructuring agreement with the Treasury Department, GM will assume the obligations of Delphi's hourly pension plan. This will help strengthen retirement security for thousands of families here in Rochester and Lockport, NY and give them peace-of-mind during these difficult economic times.

As a salaried retiree, unfortunately, these agreements will have no benefit to me. I was dismayed to learn that Delphi's salaried pension obligations will receive entirely different treatment through referral to the PBGC, where my pension payments are liable to be cut drastically, if not eliminated entirely. In the interests of transparency and accountability, I believe the Task Force owes a full explanation of this decision to the workers, retirees and the public, who are now 60 percent owners in the new GM. During my 42 years working career, I paid taxes and paid into the Social Security system for benefits that are now in serious danger.

It is fundamentally unfair that two groups of retirees (hourly vs. salaried) from the same company, who worked side-by-side for many years, and who are faced with the same unfortunate situation, are being treated so differently by the federal government. The 15,000 salaried Delphi retirees, most of who worked for GM for almost their entire careers, deserve to be treated with fairness and equity during these proceedings. While the restructuring of America's auto industry will require shared sacrifice and responsibility, Delphi's salaried retirees are being forced to bear extra burdens that are not warranted and have not been explained.

With a 60 percent stake in GM, your Task Force has enormous leverage to demand equitable treatment for hourly and salaried retirees by having GM assume the obligations of both plans. I respectfully urge you and the Automotive Task Force to demand the reconsideration of this decision before the June 10, 2009 U.S. bankruptcy court hearing set to ratify this inequitable agreement.

Thank you for your urgent consideration of this important matter.

Sincerely,

*Sharon O'Brien*

June 6, 2009

**RE: Make GM roll the Delphi Pension fund for Salaried Retirees into GM's pension fund and program**

Dear Judge Drain,

I am contacting you today because the DSRA has been advised by reliable sources that a decision on the disposition of the Delphi salaried pension plan is imminent and that now is the time to take action if a turnover to the PBGC is to be avoided. Delphi salaried retirees need your assistance at this time to help avoid this additional blow to a group that is already hurting badly from the loss of health and life insurance benefits. We would propose, as a reasonable solution, best for all involved that GM roll the Delphi Pension fund and Salaried retirees into the GM Salaried retirees Pension fund and program.

**Here is a summary of facts concerning the current situation:**

- The Delphi Salaried Pension Plan is underfunded by approximately \$2 billion which Delphi is unlikely to be able to make up anytime soon.
- Virtually all of the plan's participants worked over 2/3 (25+yrs) of their career as GM salaried employees some spending as little as a few months as Delphi employees prior to retirement.
- The GM salaried pension plan is far better funded than the Delphi plan so folding the Delphi salaried pension plan into GM's plan is a reasonable move from both a financial and ethical standpoint.

**We believe that what we propose is in the best interest of all stakeholders in the GM/Delphi restructuring process for the following reasons:**

- Delphi salaried retirees have already suffered disproportionate losses with respect to their auto industry peers and should at least have their pensions preserved.
- Delphi cannot emerge from Chapter 11 without resolving the salaried pension issue therefore they must either turn pensions over to PBGC or return them to GM from where the original liability came.
- PBGC currently holds liens on many assets that Delphi needs to sell to emerge from Chapter 11. This action would clear those liens enabling Delphi to proceed with its reorganization.
- GM currently intends to purchase several of the Delphi assets with PBGC liens. This action would also allow those acquisitions to proceed unimpeded.
- PBGC will avoid the assumption of another large underfunded pension plan.
- The US Treasury will collect additional taxes on the increased pension amounts paid to retirees over the lifetime of the annuities.

In closing, I ask you to use your considerable influence in the restructuring process to achieve the transfer of the Delphi Salaried pension plan back to GM from where it originated. GM has played a significant role in Delphi's salaried retirees' current troubled situation starting with the Separation Agreement, imposing their handpicked management team, and saddling Delphi with non competitive supply contracts. I hope you will recognize that the deck was stacked against Delphi's salaried retirees at the spinoff and do what is both reasonable and right.

Sincerely,

*Sharon O'Brien*

Delphi Salaried Retiree Association Member (DSRA)